

**GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2007**

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BILL DRAFT 2007-RBz-40A [v.4] (04/26)

**(THIS IS A DRAFT AND IS NOT READY FOR INTRODUCTION)
4/30/2008 8:13:39 AM**

Short Title: Supplemental PEG Support.

(Public)

Sponsors: .

Referred to:

A BILL TO BE ENTITLED
AN ACT TO CLARIFY THE DISTRIBUTION OF SUPPLEMENTAL PEG
SUPPORT FUNDING, AS REQUESTED BY THE LEAGUE OF
MUNICIPALITIES AND THE SOUTHEAST ASSOCIATION OF
TELECOMMUNICATIONS OFFICERS AND ADVISORS.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 66-350 reads as rewritten:

"§ 66-350. Definitions.

The following definitions apply in this Article:

- (1) Cable service. – Defined in G.S. 105-164.3.
- (2) Cable system. – Defined in 47 U.S.C. § 522.
- (3) Channel. – A portion of the electromagnetic frequency spectrum that is used in a cable system and is capable of delivering a television channel.
- (4) Existing agreement. – A local franchise agreement that was awarded under G.S. 153A-137 or G.S. 160A-319 and meets either of the following:
 - a. Is in effect on January 1, 2007.
 - b. Expired before January 1, 2007, and the cable service provider under the agreement provides cable service to subscribers in the franchise area on January 1, 2007.
- (5) Pass a household. – Make service available to a household, regardless of whether the household subscribes to the service.
- (6) PEG channel. – A public, educational, or governmental access channel provided to a county or city.
- (6a) PEG channel operator. – An entity that does one or more of the following:

- a. Produces programming for delivery on a PEG channel.
- b. Provides facilities for the production of programming or playback of programming for delivery on a PEG channel.

(7) Secretary. – The Secretary of State.

(8) Video programming. – Defined in G.S. 105-164.3."

SECTION 2. G.S. 105-164.44I(b) reads as rewritten:

"(b) Supplemental PEG Support. – The Secretary must include the applicable amount of supplemental PEG channel support in each quarterly distribution to a county or city. The amount to include is one-fourth of twenty-five thousand dollars (\$25,000) for each qualifying PEG channel operated by the county or city. The amount of money distributed under this subsection may not exceed two million dollars (\$2,000,000) in a fiscal year. If the amount to be distributed for qualifying PEG channels in a fiscal year would otherwise exceed this maximum amount, the Secretary must proportionately reduce the applicable amount distributable for each PEG channel. If the amount to be distributed for qualifying PEG channels in a fiscal year is less than two million dollars (\$2,000,000), the Secretary must credit the excess amount to the PEG Channel Fund established in G.S. 66-359.

A county or city must certify to the Secretary by July 15 of each year, in the manner prescribed by the Secretary, the number of qualifying PEG channels provided for its use by a cable service provider under either G.S. 66-357 or an existing agreement. A county or city must include the name of the PEG channel operator for each qualifying PEG channel it certifies. If a certified PEG channel has more than one PEG channel operator, then each operator of that channel must be included. A county or city may not receive PEG channel support under this subsection for more than three qualifying PEG channels.

The amount included under this subsection in a distribution to a county or city is intended to supplement the PEG channel support available in the amount distributed under this section. The money distributed to a county or city under this subsection must be used by it for the operation and support of each of the PEG channels it certified and must be allocated equally among those certified PEG channels. A county or city must distribute the money received under this subsection to the PEG channel operator of the certified PEG channel within 30 days of its receipt of the supplemental PEG support funds from the Department, or as specified in an interlocal agreement. If a certified PEG channel has more than one PEG channel operator, then the amount allocated for that PEG channel must be distributed equally to each PEG channel operator, or as specified in an interlocal agreement.

If a county or city determines that it certified a PEG channel in error, the county or city must submit a revised certification to the Department and it must return all supplemental PEG support distributed to it as a result of the error. All funds returned shall be added to the total amount to be allocated under this subsection for the following fiscal year and the amount distributed under this subsection for that fiscal year may exceed the two million dollars (\$2,000,000) limit by the amount of funds returned in the prior fiscal year.

For purposes of this subsection, the following definitions apply:

- (1) Existing agreement. – Defined in G.S. 66-350.
- (2) PEG channel. – Defined in G.S. 66-350.
- (3) PEG channel operator. – Defined in G.S. 66-350.
- (4) Qualifying PEG channel. – A PEG channel that meets all of the following programming requirements:
 - a. The PEG channel must deliver at least 480 minutes of scheduled programming a day.
 - b. The PEG channel must deliver at least 408 minutes of scheduled, non-character-generated programming a day.
 - c. The programming content of the PEG channel must not repeat more than fifteen percent (15%) of the programming content on any other PEG channel provided to the certifying city or county."

SECTION 3. Notwithstanding G.S. 105-164.44I(b), certifications of qualifying PEG channels for use in distributing fiscal year 2008-2009 supplemental PEG channel support may be submitted to the Secretary on or before September 15, 2008. The distribution of supplemental PEG channel support that must be made within 75 days after June 30, 2008, shall be based on the qualifying PEG channel certification in effect for the prior distribution.

SECTION 4. This act is effective when it becomes law.